

Trade Policy Review Body
4-5 December 1997

TRADE POLICY REVIEW

MALAYSIA

MINUTES OF MEETING

Corrigendum

Please replace paragraphs 44-48 of document WT/TPR/M/31 with the following:

44. The representative of Japan said that Malaysia was one of Japan's important trading partners. Seen from Malaysia, Japan was also the number one trading partner for Malaysia; Japan's exports to Malaysia had doubled in the past six years. For the past ten years, Japan had also been the largest foreign direct investor in Malaysia; investors had always appreciated Malaysia's liberal investment climate. Malaysia had been conducting sound macroeconomic, as well as open liberalizing trade policies, which Japan appreciated highly. Japan sincerely hoped that, in spite of the financial and economic difficulties that Malaysia was experiencing, this fundamental trade policy orientation would be maintained.

45. Concerning the 1998 Budget, he understood that some of the measures introduced to restrict imports and increase exports were aimed at improving the balance-of-payments situation; he hoped that these measures would be temporary and not affect the fundamental orientation of Malaysian trade policy. Japan was concerned about lack of transparency in the application of some measures; in this connection, he referred to the import approval scheme for machinery which is not available locally.

46. The representative expressed concern regarding export-performance requirements, which, although not WTO-inconsistent, could lead to trade distortions. He suggested that tax breaks given to firms conditional on certain export performance requirements might be seen as export subsidies and could trigger countervailing measures in importing markets. He also expressed concern regarding local-content requirements practised by Malaysia as well as trade-balancing requirements related to the implementation of the ASEAN Industrial Cooperation Scheme.

47. Japan appreciated highly the measures taken by the Malaysian authorities regarding the protection of intellectual property and commended Malaysia for introducing such legislation as the Patents Act, Trademarks Act and Copyrights Act. Noting that brand names similar to existing trademarks were still used in Malaysia, he hoped that better enforcement would be put in place.

*English only.